CENTRAL TRAINING COUNCIL

TRAINING AND DEVELOPMENT OF MANAGERS
Further Proposals

Report by the
Management Training and Development
Committee

The Central Training Council has endorsed the Report made by its Management Training and Development Committee.

The Council proposes to Industrial Training Boards that they should take the recommendations contained in the Report into account when framing their own recommendations under Section 2 (1) (c) of the Industrial Training Act, 1964.

Foreword

by

Sir Joseph Hunt, M.B.E., Hon. D.Sc., Hon. LL.D., F.B.I.M., Chairman of the Management Training and Development Committee

I began the Foreword to the first report of the Committee by saying:

> "The main purpose of this report is to offer guidance to industrial training boards on their approach to the task of promoting effective management training and development schemes in their industries. The report is therefore addressed in the first place to boards ; but we hope that it will also be of value to those firms, including the smaller ones, which are now—in some cases, perhaps, for the first time—giving thought to the way in which they should tackle management training".

This is true also of the present report, which covers much the same ground, though in more detail. The analysis and the supporting material, as in the first report, are based on good current practice in British industry. We break no new ground. The need is for the wider acceptance and use of what is known and practised already.

The Committee's first report emphasised the diversity of the circumstances of individual firms, which will therefore train and develop their managers in a variety of ways. There is no need for uniformity. The methods we recommend in this report may need to be adapted to meet these differing circumstances and we hope this will be reflected in the guidance given by the training boards. The basic needs, however, remain constant. As I said in the Foreword to the first report, "the essential features of management training and development are applicable in appropriate forms to all industries, and indeed to all firms, whatever their size".

Finally I should like to express the gratitude of the Committee to the industrialists and consultants and to the professional bodies whose experience and counsel was put at our disposal in the preparation of this booklet. The Committee also wishes to thank those who served on the three drafting groups, which were under the chairmanship of Mr. Roberts, Mr. Dunbar and Mr. Bosworth.

iii

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September 1968

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iv

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v

Contents

vi

Section I—Introduction

1. The Management Training and Development Committee of the Central Training Council was set up " to recommend to the Council what guidance should be issued to training boards in respect of the training and development of managers ". As in its first report* the Committee " is concerned with the training and development of those in managerial or executive work full time and also with those in departmental or technical posts who have, or may be given, some managerial responsibilities, either in their own specialist field or in general management ".

2. In its first report the Committee discussed in general terms the common features of effective schemes of management training and development, which it defined as:

—assignment of responsibility for management training and development ;

—analysis of managerial jobs ;

—assessment of present and future needs at the management level ;

—recruitment and selection ;

—maintenance of personal records ; and

—appraisal, leading to

—construction and operation of systematic programmes of education, training and development.

3. The Committee has now examined these common features in more detail, drawing on information about a number of companies which were known to have progressive management development policies and which represented a variety of industries and sizes of organisation. Evidence has also been received from certain of the professional bodies and others concerned with management development.

4. It is important to remember that the way in which a business is organised is closely related to its potential for training and developing managers. The training boards are obviously concerned with training, but the way in which a firm works and the

An Approach to the Training and Development of Managers.   H.M.S.O. 1s. 6d.

1

structure of its organisation are its own business: these are not matters which properly concern the training boards. It will nevertheless be seen that realistic recommendations for the training of managers must necessarily have reference to a firm's objectives, to its organisational structure and to its methods, particularly those concerned with people. Whatever form the training recommendations of training boards may take, it clearly remains true that their responsibility, in their grant regulations, is confined to the training activities and does not extend to the way in which firms establish their aims or conduct their business.

2

Section II—The Nature and Practice of Management

Introductory

5. Before proceeding to its recommendations the Committee thought it might be helpful to say how it was using the term "management" in the present context and what were the main objectives to be kept in mind in designing schemes for the selection, training and development of managers or potential managers.

6. The term "management" is used in this report in the sense of a controlling activity: the managers of a firm are concerned with the use of the firm's resources to satisfy the aims of the firm. To do this successfully they must:

—identify objectives and set them in order of importance ;

—design and construct the means by which these objectives may be attained ; and

—measure from time to time the progress being made.

7. An effective manager will need to know the technology of his job, the organisation and practices of his firm and the background against which it is operating. He should be able to recognise objectives and put them in order of importance.

8. To design and construct the means by which the firm's objectives may be attained involves the deployment of available resources which will differ in quantity and kind from one environment to another. The resources may include such things as money, buildings and plant, materials and extraction rights, patents and "know-how", in addition to human skills and ingenuity. For their effective deployment the practitioner of management, at whatever level, must know and understand the resources available to him, be able to assess them quantitatively and qualitatively in relation to his purposes, and be skilled in their use. He must also be able to communicate with others and to motivate and co-ordinate the work of subordinates.

9. The assessment of progress depends on being able to measure what has been achieved. Some things can be measured with precision, but in the business environment many measurements

3

have to be based on incomplete or indirect evidence and may involve subjective judgements. Nevertheless, since one of the purposes of measurement is control, those who would practice management must become skilled in the best available techniques of measurement, crude though some may be, and use them in the most appropriate ways.

10. Money is a convenient measure for many purposes, but it is not an appropriate means of measuring and controlling the use of all resources. The techniques of accounting and their application in the circumstances of a particular business are important for the manager; but it is also important that he should have some means of measuring, for example, human performance, or at least of making comparisons of attainment.

11. It was with this understanding of the scope of management that the Committee outlined in its first report the common features of effective schemes of training and development; but before elaborating on these, the Committee wishes to emphasise certain general considerations. These are:

—the significance for effective management development of the " climate " within the firm ;

—the need for the senior executives to give the lead ;

—the fact that all managers have a responsibility for training ; and

—the need to give scope for the individual manager's own efforts to develop himself.

The " Climate " within the Firm

12. Experience of working in a well managed organisation where the " climate " is right for the development of managers will have more value than even the most elaborate training arrangements in an organisation where it is not. Where the climate within the firm is favourable certain characteristics are evident, e.g.

—managers are allowed to manage and to learn from the consequences of their decisions ;

—they know that achievement will be recognised and rewarded ;

—enterprise and new ideas are encouraged and there is no fear of the unorthodox ;

—the senior managers not only talk to their staff but they also listen to them.

4

In this situation good management development is an integral part of the whole business process, and the personal ambitions and the growth of the individual manager contribute to the effectiveness of the business as a whole.

13. It is often easier to create such a climate in expanding companies and in those concerned with the exploitation of new technologies. It may also be more easily achieved in small or medium-sized firms than in larger organisations, depending as it does on the direct influence of the chief executive.

The Responsibility of the Senior Executives

14. Positive leadership, participation and example from those in the most senior positions is essential if the various techniques discussed in the subsequent sections of this report are to be effective and not allowed to degenerate into mere routine.

15. It must be the policy of the Board of Directors to see that the importance of management development is recognised throughout the company: it will be the particular responsibility of the senior executives to keep under review the training policies of the organisation as a whole. They need to understand the management process and the purposes which management education and training are designed to fulfil. Otherwise, they will find it difficult to guide and direct the development of their subordinates and are unlikely to be receptive to unfamiliar ideas and techniques.

16. Against the background of rapid technological and social change, management training and development should be regarded as a continuous process applying to all managers, both as individuals and as members of a team. Evidence was given to the Committee by a number of firms whose directors had found it most useful to attend external training courses and seminars. The value of directors, chief executives, heads of major functional departments and others of similar status attending appropriate " senior " courses at management and business schools and colleges, in this country and overseas, is now becoming increasingly widely accepted. Such courses can be particularly enlightening where firms are just beginning to set up systematic management development schemes.

17. It is important that small and medium-sized firms should not overlook the benefits of formal management education at the senior level. It is difficult for such firms to release key staff, even for short periods, but doing so may represent the best way—

5

sometimes the only way—of introducing modern management concepts and techniques, some of which are particularly applicable to smaller firms and are often more easily and effectively introduced in them than in larger organisations.

18. The benefits of management education at the top levels are two-fold. First there is the direct effect on the conduct of the business of an individual's improved knowledge of techniques and better analytical approach to his problems: this leads to more effective control of the resources at his disposal. Second, the temporary detachment from everyday business affairs leads to a general broadening of horizons and acts as a stimulus to fresh thinking.

The Responsibility of All Managers for Training

19. Although the responsibility for overall policy rests with the chief executive, his actual role will vary according to the size of the firm and its particular circumstances. Implementation of the policy may be delegated by him to senior colleagues but, where it is, those to whom the responsibility is delegated must have the full authority of the chief executive. It then remains for each manager, at all levels of the organisation, to assume individual responsibility for the training and development of his own staff, sometimes advised and aided by specialist personnel or training officers.

20. The subordinate manager is confronted every day with the example and influence of his own immediate superior ; managers at all levels must therefore accept that it is an integral part of their function to harness and develop the potential of their own subordinates. They must be held responsible for this task as much as for any other part of their work. Although it is the concern of senior managers to see that there is a middle generation of managers of adequate calibre, throughout the firm as a whole, it is equally important for middle managers in their turn to ensure that there are in the junior ranks well trained and able men to take their place in due course.

Scope for the Manager to Develop Himself

21. Managers learn by managing. The performance of the individual manager can in the last resort only be improved by the manager himself. He may be helped by the guidance of his superior to build up his strong points and make good his weaknesses, and to gain wider experience and enlarge his perspectives.

6

He may be given the authority and the facilities and enabled to develop the skills he requires to do the job. But, as the Committee observed in its first report, " No system of training can be a substitute for what an individual can achieve for himself ". The individual's efforts to develop himself and to define the objectives against which he can measure his performance are key factors and every management development programme must provide opportunities for this personal initiative.

Section III—The Techniques of Systematically Determining Needs for Management Training and Development

Introductory

22. This section discusses the techniques of analysis of managerial jobs, appraisal of managers, assessment of needs at the management level and the maintenance of personal records, and the way they should be applied in the process of determining the training needs of managers. It is concerned to show the inter-relationship of these techniques and to state the principles which should underlie their application in all companies, regardless of size or industry; but it does not describe the techniques themselves in detail or offer model forms for use in applying them. Circumstances vary too widely for that, but training boards may be able to give more detailed guidance to their industries or to particular sections of them.

23. It is important to emphasize at the outset that the use of any one of the techniques in isolation is not likely to be of much value. A successful management development programme calls for the integration of techniques. Where this is achieved it will make a positive contribution to improved business results over and above the basic function of supplying the material out of which training programmes suited to the needs of the individual manager and of the firm can be drawn up. Examples of the contribution made to improved business results are:

—training will be more effective because it is based on an analysis and evaluation of individual and company needs which are regularly kept up to date ;

—succession planning will be more efficient when the forward plans of the company are clarified, records of each man's background and contribution are analysed and the talent within the business is identified and nurtured ;

—managers will concentrate more on the results they are trying to achieve than simply on their immediate activities ; and

—the opportunities for keeping under review the organisational structure of the firm and for introducing new ideas and methods will be more clearly apparent.

8

24. From the individual manager's viewpoint, taking a full part in the process of defining his own objectives, and thereby getting better control over his job, helps him to do the job itself better. He enjoys a greater sense of participation and sees his job in its relationship with the work of others. Moreover he knows that a systematic appraisal of his strengths and weaknesses is taking place and that it is leading to constructive training and succession plans.

The Policy Statement

25. The existence of a statement of policy on management development makes clear to everyone in the business what the intentions of the Board of Directors are and it sets the context within which the detailed plans and techniques will fit. The preparation of such a policy statement compels top management and their specialist advisers to define their reasons for investing in systematic management development. The debate that takes place as the policy evolves is as valuable in its own way as the formal document itself.

26. Through the policy statement the Board of Directors should make it known to all levels of management that they are committed to :

—the development of the full potential of all those under their command as a prime responsibility of all managers ;

—providing for the present and future needs of the firm for managerial talent by establishing, operating and improving a management training and development scheme ;

—taking account by regular appraisal of how successful managers are in developing their subordinates ;

—providing opportunities for every manager to take an active part in his own development ; and

—developing all parts of the scheme together as a consistent and orderly whole, in line with the company's objectives.

Analysis of Managerial Jobs
General

27. Management job descriptions are needed for other purposes as well as for establishing training needs, and it is as well to note what they are before considering how the analysis can be made and the form in which the job descriptions might be drawn up.

28. Their prime purpose is to help to ensure that the job gets

9

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done by defining and making known the delegation of responsibilities among the managers and within an appropriate organisational structure. They are also used

—as a basis for appraisal of performance ;

—less directly, as a basis for appraisal of potential ;

—for job evaluation and salary rating ; and

—as a guide to recruitment and selection.

Only if it is clear to all concerned that the primary purpose of job descriptions is to help to see that the objectives of the job are attained will the process of writing them become an integral part of the management of the business.

29. In practice firms approach the analysis of managerial jobs in several ways and record the results of the analysis in documents which may go under a number of different titles, such as Position Guide or Job Specification, which in some degree reflect the method of approach. To avoid association with any one method the term Management Job Description is used in this report to cover the written record of the analysis, whatever form it may take.

30. When completed the analyses and descriptions of management jobs will provide for the Board of Directors and for all managers in the firm

—a clear definition of the division of responsibility within and between the various sections of the organisation ;

—a statement of the way the management process operates within the organisation and of the procedures (e.g. planning and control) by which the managers exercise their functions ; and

—a summary of the objectives and targets of the various sectors of the organisation which, taken together, comprise the objectives of the firm.

A number of firms are now introducing into their job descriptions, or placing more emphasis on, statements of the results the job-holder is expected to achieve. Certainly, without such an element management job descriptions are unlikely to yield worthwhile returns.

31. The more senior managers tend to impose their own pattern on their job. Nevertheless the company's management development scheme should provide for senior managers to define their

10

objectives in the light of the known objectives of the company as a whole. Until this has been done it is unlikely that valid job descriptions can be drawn up for the subordinate managers to whom the senior man must necessarily delegate many of his responsibilities.

Principles of Operation

32. The process of analysing the managerial jobs in a company and writing management job descriptions is a major task which calls for whole-hearted backing from top management, not only at the outset but thereafter to maintain momentum. There are several methods that can be used and indeed some variation in method is often necessary even within a single company if the different needs of those in line and staff positions are to be met ; but it appears from the experience of many companies that the most important and widely applicable principles are :

(a) *Concentrate on the major responsibilities.* It is not necessary to write down all the responsibilities inherent in the job. Those that are most important to the attainment of the company's objectives can be distinguished by assessing what the results would be if they were carried out exceptionally well, indifferently or not at all. It is helpful to focus, wherever the nature of the job makes this feasible, on results rather than activities ; for instance, one of a production manager's main objectives will be to complete the products on time and the emphasis should be on that rather than on, say, the techniques of production planning, which are among the means used to attain the objective.

(b) *Involve the manager in drafting his own job description.* Each manager should collaborate in deciding what results he is to be expected to achieve. They should not be imposed by his superiors or drawn up by a specialist in isolation. There are three ways of involving the manager :

—the description may be drawn up by the manager concerned, discussed and agreed with his superior and then approved at one level higher ;

—the description may be drawn up by the manager and his superior together, and then approved at one level higher ; or

—the description may be drawn up by the superior, discussed and agreed with the manager.

11

However it is done, the managers concerned are likely, at least in the early stages, to need the assistance of a man with experience of the techniques and with the capacity to apply them. Larger organisations may find it desirable to appoint and train someone to specialise in this work.

(c) *Incorporate standards and controls in the description.* The use of standards indicates levels of attainment and provides the basis for control. Phrases such as " improve productivity ", " in a reasonable time " are too vague for proper assessment of performance ; wherever possible the results to be achieved should be specified in measurable terms.

(d) *Look for improvements.* Job descriptions should help managers to see that the present objectives of the company are met and, in the case of the more senior managers, should lead to the development of further objectives. It is not enough just to define the existing job more accurately. The opportunity should be taken to clarify and improve the division of responsibility and also to encourage managers to identify the areas in which performance can be improved.

(e) *Keep the job description up-to-date.* Every organisation changes and if the job description is to fulfil its primary function of helping to ensure that the job gets done it must accurately reflect the objectives of the job as they develop. The statement of the results to be achieved should be brought up to date in association with the appraisal of performance and potential, but this is not something that should be dealt with exclusively at twelve month intervals. When a change in objectives is made or new responsibilities imposed during the year they should be taken into account immediately. The degree of formality with which this is best done will vary according to the circumstances.

(f) *Analyse each management job.* With some exceptions, such as the management of successive shifts, it is unusual for two or more positions to be sufficiently alike to be covered by a single job description. For this reason generalised lists of responsibilities, using such headings as " turnover ", " production ", or " planning ", while they may have a useful place as check-lists, should not be adopted as ready-made job descriptions. The use of such short cuts in the preparation of job descriptions would incidentally deprive the managers concerned of the benefits of participating in the analysis of their own jobs.

12

Appraisal of Performance and Potential

General

33. It is necessary to distinguish between the three purposes for which systematic appraisal schemes may be introduced:

—*Appraisal of performance,* which measures the extent to which the manager has succeeded in attaining the objectives set out in his job description. It shows what he has or has not achieved, taking account of any factors outside his control or not foreseen when the objectives were originally decided. It has the immediate purpose of pointing to the areas where current performance could be improved, either immediately or after training.

—*Appraisal of potential,* which makes a judgement—necessarily in a broader and more subjective way—on what the manager may be capable of in the future, drawing on his past performance where relevant but looking particularly at his strengths and weaknesses and his capacity for development. In this way it should suggest answers to such questions as:

—should he be transferred and if so where?

—is he ready now for promotion?

—is some form of training or guidance needed in order to fit him for transfer or promotion?

—are there any personal factors, such as bad health, unwillingness to move, etc., to be considered in planning his career?

—what are his own ambitions and interests and how far are the company's plans for him consistent with them?

—*Salary review* which judges his rewards in financial terms in the context of the company's policy.

34. Each of these requires a different approach. In performance appraisal it is the actual achievements of the man in his job which count. In potential appraisal an assessment has to be made which, although based on what he has done, must include an element of conjecture about how he might perform in changed circumstances. The salary review has to take into account not only the man and his job but also the performance and work of others within and outside the company. Although they involve separate considerations, performance and potential review may for convenience be conducted at the same time. Salary review should not be directly linked with them; it will be influenced by them but it is better for the processes to be kept separate.

13

Assessment of Present and Future Needs

General

37. There are wide variations in the methods used by firms in assessing the numbers and types of managers that may be required in the future and of planning to fill the needs. This is not usually a problem for small firms because their needs can be readily seen, but in larger firms with considerable numbers of managers some aid to the systematic assessment of needs and the construction of plans to meet them appears to be essential.

Principles of Operation

38. (a) *Assessment must be based on the company's forward plans.* If an adequate supply of suitably trained managers is to be available for the future an assessment needs to be made of the company's present position and how it is expected to develop. Although this is not easy and may not be done accurately, the results of making the attempt are likely to be better than the consequences of making no assessment at all.

(b) *Involve line management.* Much of the work of assessing needs will be done by top management, assisted by specialist advisers ; but line managers should be involved in translating the plans of the company into managerial and supervisory manpower requirements. They will necessarily be concerned with the career development of individuals in preparation for future jobs and it is better that they should have had a hand in deciding what the requirements will be.

(c) *Use the best information available.* There are many uncertainties in forecasting needs and this makes it all the more important to make use of accurate information wherever it is available, even when it has been prepared for other purposes, e.g. manpower statistics of a simple kind such as can be built up from the company and personal records. A sound appraisal scheme for identifying potential for managerial jobs anywhere within the company, and clear and revealing job descriptions, are also valuable aids.

(d) *Plan ahead in two stages.* Some firms can forecast needs with fair accuracy over a period of two or three years, but the possibility of changes in external circumstances makes longer term forecasts much more liable to error.

16

In short-term forecasts it may be possible to name the individuals who are to fill particular vacancies due to arise through retirement, expansion or other causes. For the longer term the same degree of precision will not be practicable and the aim should rather be to try to ensure that enough managers of sufficient calibre being developed to provide a foundation for the future, in so far as it can be envisaged.

(e) *Matching the talent available to the needs of the company.* Effective planning to meet future needs calls for a company-wide perspective. Conflicts may arise between, say, departmental and company needs and between company needs and personal ambition, and every effort should be made to minimise the loss departments suffer when men with high potential are transferred elsewhere. Some personal contact between those responsible for planning and the men whose careers they are planning will help to match company needs to personal aspirations. Because of the difficulty of achieving this in big companies it may sometimes be better for them to decentralise succession planning for junior management.

Personal Records

39. A basis of accurate and comprehensive information about each man is essential for planning. The records should cover :

—personal particulars : age, health, mobility etc. ;

—education and qualifications ;

—specialised technical skills ;

—career experience before joining the firm (if known) ;

—appointments held within the firm ;

—training received, within the firm or outside (if known) ;

—a summary of appraisals ; and

—an assessment of potential.

40. Records should, of course, be accessible to those who need them but there may be some conflict between this and the need for confidentiality for some of the information. There is also the problem of keeping a multiplicity of records up to date. It is clear, nevertheless, that if the setting of results to be achieved and the appraisal of performance is to be a part of routine management activity, those who are responsible for it need to

17

have permanently available the management job descriptions and a note of the current training plans for each of their subordinates. The records system should be carefully planned to provide such information as is needed, taking account of the fact that some of it should have limited circulation only. The records should be known to be up to date and reliable ; otherwise they will not be used. Small firms as well as large can benefit from keeping records of this kind.

Making a Start

41. Firms that already use these techniques have found that they benefit from doing so. These benefits cannot be won without much effort and investment, particularly at the launching stage. A strong lead from the top is therefore indispensable, backed up where necessary by the appointment of a senior executive with special responsibility for the work.

42. The first ingredient necessary for success is for the Board of Directors to commit themselves to the introduction of a management development scheme and to explain to senior managers the purpose of the scheme and the way it is to be operated. Where it is possible to nominate certain members of staff on a full or part-time basis to give specialist advice and help during the launching stage, they will require training in greater depth beforehand to equip them for this role.

43. Systems on these lines cannot be introduced in their entirety in a single step and several stages may be necessary, for example :
—clarification of the company's policy for management training and development ;
—nomination and training of men to assist in launching the programme ;
—examination of the objectives of the company as a basis for management job descriptions ;
—analysing managerial jobs to ensure that responsibilities are properly delegated, writing management job descriptions and setting the results to be achieved ;
—establishing an appraisal system, perhaps in two stages (see paragraph 35) ;
—making the first succession plans ; and
—making training plans.

It will be the senior executive's task to see that as the system develops it is fully integrated into the general running of the business.

18

44. Even limited success helps to win over the unconvinced and, especially in large organisations, it will usually be beneficial to run a pilot scheme in one section or department before attempting to introduce the scheme throughout the whole organisation. The department would of course be chosen for the extent of support that could be expected from it. It is preferable to introduce the scheme throughout all levels in the selected unit—since this follows the pattern of the setting of objectives—rather than to apply it to a single level or grade throughout the whole business. Specially constituted committees to control the operation can be helpful, but it is matter for the firm to decide whether to use them as their effectiveness depends largely on the practices of the firm.

45. The construction and operation of training programmes based on the information derived from these procedures is dealt with in Section V of the report. Before coming to that, however, the recruitment and selection of those who are to be trained needs to be considered and this is done in the following section.

Section IV—Recruitment and Selection

Introductory

46. In its first report the Committee acknowledged that "decisions relating to recruitment and selection are peculiarly the concern of the individual firm"; but went on to say that it nevertheless proposed "to give further consideration to recruitment and selection to see whether there is any detailed guidance" that could be offered. This section seeks to identify some of the more important factors that all firms will wish to consider when examining methods and practices best suited to their own circumstances. In it the terms "recruitment" and "selection" are used to describe the processes of engaging new entrants and of selecting, both initially and later after a period of employment, those suitable for advancement. The section deals first with the personal qualities most relevant to management competence; secondly with possible sources of recruitment; thirdly with the various factors firms might take into account in formulating a recruitment policy; and finally with the techniques and the processes of selection.

47. In Section II of the report it was suggested that the effective manager needed to be able:

—to identify his objectives and set them in order of importance;

—to design and construct the means by which these objectives may be attained; and

—to measure from time to time the progress being made.

In recruiting and selecting for management posts the aim should therefore be to identify in the candidates the personal qualities and acquired skills, professional and managerial, which in the context of the particular job are most likely to lead to these basic operations in the work of the manager being well done.

Personal Qualities

48. The qualities and skills to be looked for and the emphasis to be placed on each will vary from job to job. The nature of the industry, the character and size of the firm, its managerial structure, its location and whether it is widely spread geographically: these and other factors will combine to influence the

20

selection to be made. The training boards may feel able to advise their industries on the relevance of some of them; but in all industries the considerations governing the recruitment and selection of beginners on the one hand and of more mature men for specific posts in management on the other differ so much that it is worth dealing with them separately.

49. The recruitment of beginners may often be simply the recruitment to the general body of workers of the most intelligent and able young people available, or it may be the recruitment of young people with particular educational—including technical—qualifications, or with previous industrial experience, for special training designed to lead to junior managerial positions. In either case, those responsible for recruitment and selection will have to rely mainly on their own assessment of the candidates' personalities and aptitudes in judging whether they will develop the special qualities needed in management.

50. It is difficult not only to describe the personal qualities which will enable the young beginner to develop into a good manager but also to identify these qualities in any individual candidate. The "Seven-Point Plan" described in paragraph 70 below provides a framework for listing and examining important personal qualities at selection interviews. The Committee suggests that in the field of management selection the following are of particular significance:

Mental ability. The manager's work of setting objectives, organising and measuring performance demands a faculty for analysis and for synthesis. This will often develop during training, especially at the outset of a man's career, but it must be based on a good native intelligence.

Imagination. This is one of the distinguishing characteristics of a really good manager and is usually, but not always, allied to a relatively high level of intelligence. It appears in the ability to appreciate the likely results of decisions and actions and sometimes finds expression also in an ability for establishing good relations with people.

Courage, self-confidence and balance. The work of the manager in controlling, organising, motivating and developing people demands the quality of leadership, of which the qualities of courage, self-confidence and emotional and intellectual balance are vital parts. All these qualities may well develop with training and experience and with opportunity to display them; but

21

a deficiency in any of them will prevent a man from becoming a good manager.

51. The techniques of selection which can help to identify candidates who have the potential for success in management in the firm's particular circumstances are dealt with in outline in paragraphs 67–82. But even with the best techniques, no-one can be right every time when assessing the quality of young candidates. Those who are recruited should be kept under close personal supervision during their initial training so that mistakes in selection can as far as possible be corrected without too much difficulty or detriment to the man concerned, whether by a switch to another kind of job in the same organisation or even to another organisation.

52. The field of selection among the more mature men for higher management posts on the other hand will be limited in the first place by the job description and will be influenced by the detailed information about the candidates which should be available, including assessments by those for whom they have worked. The requirements of the job will help to determine the kind of candidate who should be considered and attention will be paid to his previous experience and training, his knowledge and the skills he has acquired, both in his own and in related fields of work, and above all to his record of achievement. Considerable development of the personal qualities sought in the beginners will be looked for in the mature manager. He must have developed a faculty for analysis and synthesis and must be able to take decisions and to communicate his ideas with precision. Development of the quality of imagination will be apparent in his ability to perceive what are likely to be the demands of the future; to grasp how others will react to particular policies; and to anticipate the response to particular courses of action. The practice of management frequently calls for courage: in the mature manager this quality will be evident in his ability to decide upon one course of action rather than another; to carry his decisions into effect, even in the face of difficulties; to challenge, and if necessary to disagree with, the views of others; and to accept change, even if it means discarding previous work and starting again. Finally, the power of leadership—so much easier to recognize than to define—should, in the mature manager, be increasingly evident.

53. Assessment of these personal qualities is fundamental, but an assessment also of the candidate's professional and managerial abilities will be necessary in relation to the requirements of the

22

job. Evidence of professional skill will be provided by qualifications and previous performance but to assess potential for managerial capacity in the environment of the new job will need shrewder judgement. The relative importance of professional skills and managerial capacity varies from job to job, but for most managers some knowledge and skill in the primary business functions of accounting and finance, production and marketing, personnel and labour management will be necessary.

54. The higher the management post for which the selection is being made, the more important it is to have regard to a man's business sense. In the context of industry and commerce, nearly all management decisions have a financial implication. There must, of course, be due consideration for social and ethical factors but most firms will eventually go out of business unless they make profits. Full weight should therefore be given to a candidate's ability to comprehend the financial consequences of management decisions.

55. It is important to avoid making unrealistic demands when recruiting managers. A candidate should not be judged by standards which would apply to a managing director when in fact the responsibilities of the post to be filled are more limited. Thus there are posts, for example, in which special skills and experience may outweigh some lack of quality in leadership.

Sources of Recruitment

Potential or Junior Managers

56. Potential managers may often be recruited from employees on the " shop floor " or in technical and commercial posts. To exploit such sources fully, those in supervisory positions must be aware of the need to identify at the earliest opportunity young men and women who seem to have the qualities and aptitude for management and to encourage them to progress. Those concerned with their training can also play a useful part in this. Supervisors, including foremen, are themselves also an important source of potential managers and they should be made aware that intelligence and initiative will be noticed and that promotion to the higher ranks of management is open to them.

57. Bearing in mind the increasing number of young people who stay on at school, many firms recognise that school leavers with higher educational attainments provide an increasingly important source of potential managers. Such recruits often receive training deliberately planned to lead in due course to junior management

23

posts. It has been the practice for several years for some firms to offer university scholarships both to promising employees and to outside candidates. Among those who may benefit are young people who have entered employment at school-leaving age and who have reached the necessary educational standard by part-time study. But the sponsoring concerns can seldom insist upon the recipients of these awards returning to their previous employment.

58. Some firms, particularly those in scientific or technological industries, will need to recruit graduates, or those with post-graduate degrees or other academic qualifications. In recruiting such entrants it is important not to overlook the claims of well-qualified members of the existing general body of employees, such as the young man who has shown outstanding ability in his work and by his own efforts has taken full advantage of further educational opportunities.

Middle and Higher Managers

59. For middle and higher management posts the main source of recruitment is usually the existing staff of the concern. Where outside candidates are being considered for a particular appointment, it may be desirable to include one or more of the most eligible internal candidates on the short list, even if the circumstances seem likely in the end to dictate the need for an appointment from outside. The normal processes of appraisal of performance should have identified those worthy of consideration for appointment to more senior positions, but special care should be taken to ensure that all the eligible candidates are in fact considered at the final selection stage.

60. When recruiting from outside the firm, an accurate description of the job to be filled is essential so as to ensure that candidates of the right calibre are attracted and that potential candidates are fully aware of the requirements and of the conditions of employment.

Formulation of Recruitment Policy

61. The extent to which these sources of recruitment will be used must depend on the organisation's recruitment policy. Clearly the policy must be devised not only to achieve a proper manning of existing posts but also to maintain a range of potential ability at all levels of management, so as to provide qualified successors for vacancies that may occur. If the balance of recruitment has been correctly struck, there will be scope for advancement for

24

those with ability and satisfying jobs for those with lesser potential. Whatever policy a firm adopts, it needs to be reviewed as circumstances change and flexibly applied in fairness to all employees.

62. In formulating its policy an organisation has to decide on the extent to which it wishes to give preference to promotion from within or to depend on recruitment from outside. Even if preference is given to the former, particular circumstances will at times necessitate recruitment from outside.

63. The main advantages of a policy of internal promotion are:

—good quality school leavers, graduates and other well qualified recruits are attracted by a firm that is known to provide good career opportunities;

—the performance of those in more junior positions is improved by the knowledge that outstanding work leads to accelerated progress;

—the performance of middle and higher managers should benefit by their earlier experience within the firm and the common understanding that arises from continuity of association;

—the general morale of the whole organisation should be improved.

64. The disadvantages of an internal promotion policy must not, however, be overlooked. They include:

—the difficulty of maintaining a balance between recruitment and career opportunities (though this may be felt less in organisations which are growing rapidly and are consequently offering more opportunities);

—wastage and frustration among younger managers, where the right balance has not been achieved, tending to increase the organisation's training costs;

—undue conservatism and other characteristics of in-breeding which may tend to manifest themselves, particularly in organisations which are too small to have a policy of planned transfers between jobs to counteract these undesirable features.

65. A policy based on external recruitment also has advantages and disadvantages. The main advantage is the infusion of fresh blood into middle and higher management with the introduction of new ideas and methods. The main disadvantages are:

—it tends to create a feeling of insecurity among the existing staff. Good senior managers may seek appointments elsewhere if they consider that their chances of promotion within the organisation have been lessened;

25

—higher salary costs may result because incoming senior managers will normally expect an increased salary as an inducement and this may involve raising the salaries of existing managers in the organisation who have equivalent responsibilities.

66. Even when the general policy is one of internal promotion, some exceptions may be necessary. There may be a positive advantage for instance in securing an outsider who can bring new ideas to a top post. Sometimes external recruitment is unavoidable, for example when a vacancy is created unexpectedly by death or resignation and the intended successor is not yet qualified to take over. Similarly the recruitment of people from outside for specialist appointments, particularly in a new department, may be necessary. But exceptions to the general policy should not be so numerous as to undermine the assurances regarding promotion prospects which have been given to members of staff on first recruitment.

Selection

General

67. The following paragraphs outline the techniques and the processes of selection designed to achieve the best match between the needs of the firm and the talent and potential of the individuals available. No attempt has been made to describe the techniques and processes in detail; much has already been written about them and it is for the individual firm to use those which are suited to its requirements.

68. Selection of beginners for non-managerial posts generally falls outside the scope of this report. Nevertheless where beginners are recruited as management trainees—even though initially they may fill non-managerial posts—it will be desirable to prepare personnel specifications based broadly on the qualities described in paragraph 50, and on the requirements arising from the particular needs of the firm.

69. In recruiting for higher management posts the first essential is that there should be an up-to-date job description covering the present and the foreseen needs of the job; and it must be known and fully understood by those responsible for preparing the personnel specification and for selection. The personnel specification should, however, be regarded as a guide rather than a detailed prescription. The nature of the job itself may be expected to change as time goes on and in any case it would be rare to

26

find a candidate who exactly fits the personnel specification at any particular time.

70. In recruiting from outside the company for the lower levels of management, it is helpful to use an analytical system when setting down the personnel specification. A method widely accepted in vocational guidance and personnel selection is " The Seven-Point Plan "*, which provides a framework for listing and examining the important aspects of personality to be sought under the following headings:

Physical Make-up. Health, physique ; age ; appearance ; bearing ; speech.

Attainments. Education ; occupational training and experience.

Intelligence. Basic and " effective ".

Special Aptitudes. Fluency, written and oral ; numeracy ; organisational ability ; administrative skill.

Interests. Intellectual ; practical ; physically active ; social ; artistic.

Disposition. Self-reliance ; nature ; motivation ; acceptability.

Circumstances. Domestic ; social background and experience ; future prospects.

Internal Recruitment

71. Smaller firms, where opportunities for new appointments or promotions from within occur infrequently, at least have the advantage that the owner or managing director will know all those who are effectively in the field for selection ; indeed, except in some cases where the vacancy occurs unexpectedly, the successor will often have been earmarked well in advance.

72. In larger firms there are two sources:

—*Recommendations arising through the firm's own appraisal procedures.* In these cases the candidate's name may come forward with a recommendation for promotion or for a transfer as part of planned career development. In firms with well established personnel development procedures there may be more than one possible choice for a particular post— some management development systems are, indeed, designed to achieve this result. The final selection will then be made after thorough assessment of the relative merits of the candidates and after interview and full consultation with the senior manager for whom the appointee will be working.

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* Rodger, 1952.

—Applications from employees. A system of notifying employees of vacancies and encouraging applications for them, at least at the relatively lower levels of management, can reduce the risk of those with potential being overlooked. It may also be generally good for morale, as it provides an opportunity for those who think they are eligible to bring themselves to the notice of those making the appointments. If such a system is to work effectively it is essential that everyone should be aware of it. Candidates should always be informed when they have not been successful. If it is possible to explain the reasons for failure, this can afford a useful opportunity to give guidance and counselling. A disadvantage of inviting applications from employees in this way, however, is that it does not always fit well into a system of planned career development. Moreover the system becomes increasingly inapplicable the higher the level of the post to be filled. At these levels firms should not need to have candidates drawn to their attention through the initiative of the candidates themselves ; in any case one of the aims of good appraisal procedures is to ensure that all who are broadly suitable for a particular vacancy that needs to be filled will in fact be identified, so that their suitability can be assessed in detail.

External Recruitment

73. A Survey by the British Institute of Management on Selection Methods in British Industry* summarises the sources of external recruitment which are most widely used, discloses the views of a number of companies on the success with which they have used the various methods and discusses the advantages and disadvantages of the main ones.

The Selection Process

General

74. The aim is to identify those candidates who are likely to be most successful in fulfilling the requirements of the job. There are two stages in the process :

—*the collection of facts and opinions,* from the candidates, from external sources and from internal sources (including selection tests) ; and

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* BIM, 1963.

28

—*an interview,* as a means of supplementing the factual evidence and opinions of others and of personally assessing the suitability of the individual in the light of this evidence.

Collection of Facts and Opinions

75. *Candidates.* Much information can be obtained from a well-designed application form. The BIM Survey contains a number of examples which are useful as illustrations of patterns that might be adopted. The form should however be purpose-built to meet the needs of the firm and should reflect the system on which the personnel specification has been based.

76. *External sources.* These may take the form of reports, references, certificates, etc. They will contain a subjective element but can often be used as the first sieve in the selection process. They should be recent enough to ensure that the information is reasonably accurate and the sources should themselves be *prima facie* reliable in character.

77. *Internal sources.* When candidates from within the company are under consideration for promotion or transfer, those responsible for selection should have available to them all the facts and assessments relating to the candidates which have been assembled by the company in the past.

78. *Selection tests.* At lower levels and where selection is being made from outside the company, more emphasis may be placed on the use of selection tests; but the use and interpretation of tests is still difficult and even controversial. Broadly speaking, unless a firm employs a professional psychologist on a permanent or consultancy basis, the only tests available for use in industry are those of general ability and special aptitudes. Such tests should never be used as the sole criterion for a selection decision; they are rather of value as a final refinement of the selection system, augmenting information and assessments derived from other sources. Some notes on training in the use of these tests are given in Appendix 1.

79. *Group selection* (not to be confused with interview boards or panels). Group selection is a system which has been found useful in choosing those whose successful job performance depends largely on social skills and similar leadership qualities. The procedures used include situations designed to test those qualities—e.g. group discussions and group exercises or projects. The activities of the

29

members of a group of candidates are observed by trained interviewers and an assessment is made of the quality and quantity of participation.

The Interview

80. The interview provides a means of supplementing the factual evidence and opinions of others and of personally assessing the candidate in the light of all the evidence. Not only will it supplement other items in the evidence, in the sense of relating and explaining discrepancies between them, but the interviewer will be able to gather up all the parts into a coherent whole, so that the individual can be assessed in relation to the requirements of the job, including his acceptability as a member of the team with whom he will be working. Throughout the selection and interviewing process, every opportunity must be taken to ensure that the candidate is given adequate information about the job and the firm and that any matters he may raise are freely and frankly discussed.

81. As with objective tests, the interview is a valuable tool in the hands of those trained in its use and used in the right conditions. The subject is fully covered in the NIIP publication "Interviewing for Selection"*. For those with no formal training in the techniques involved the NIIP paper provides useful guidance.

82. The choice of interviewer or interviewing panel needs careful consideration. At the stage of final choice, line management and especially the manager who will be immediately superior to the person to be appointed should be closely involved. Although preliminary collection of evidence may be left to specialists, the candidate should be interviewed by at least one person who is experienced in interpreting such evidence and in questioning candidates against its background. Opinions vary on the merit of single person interviews or a succession of such interviews or a panel procedure. There is no single formula which is best in all circumstances but the procedure should be carefully planned to put the candidate at his ease and to give him every opportunity to do justice to himself.

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* National Institute of Industrial Psychology Paper No. 3.

Section V—The Construction and Operation of Effective Programmes of Management Training and Development

Introductory

83. This section takes up the theme at the point where systems are in existence for identifying training needs and recognising individual potential for more senior appointments. It is concerned with the next stage, the practical construction and operation of training and development programmes.

84. Section II of the report discussed the nature of the activity of management. Within this framework the task of those responsible for training programmes is to ensure that managers, at whatever level they operate, are aware of the important and significant features of their environment, understand the resources that are available to them and are able to measure from time to time the progress made. Much of this can be taught and illustrated through formal instruction, but ultimately the knowledge and skills needed will only be thoroughly assimilated through experience in the actual business environment.

85. There will obviously be differences in the content and emphasis of programmes designed for different stages or levels of management. There will be differences also in the training methods used: some things can best be learnt on the job and others away from the job, either within the firm or externally. It is important to choose the most appropriate methods if the training programmes are to be fully effective. The rest of this section deals with programmes in relation to three broad categories:

—new entrants recruited directly from the educational system;

—existing managers who need training to improve their performance in their present job and to develop their versatility and their potential for advancement; and

—those with more than ordinary potential who appear to be capable of reaching the higher levels of responsibility.

31

New Entrants

General

86. As has been said in Section IV, many firms recruit trainees directly from the higher levels of the educational system and regard them from the outset as potential managers. They are mostly graduates, often with technical qualifications, but they also include " A "-level entrants and others who seem to show more than ordinary promise. Not all will become managers, but any management potential they possess needs to be fostered and developed.

87. Their initial training will be designed to bridge the gap between the educational system and the world of business. Those responsible for planning it will need to consider the application in each particular case of the ideas outlined in Section II. Thus the trainee should be helped to familiarise himself with his environment within the company and to gain a broad grasp of the technology of the industry and of the company itself. He has to learn about the particular resources with which he is to be concerned and about the application of techniques of measurement in the actual situations he will meet. He must be given opportunities for putting the knowledge he acquires to practical use.

Induction

88. This is the first stage in introducing the trainee to his new environment. The information he will need about it should be carefully thought out and worked into a programme. He has to be introduced into the team with which he will be working. He needs to become familiar with the organisational structure, the levels at which decisions are made and inter-departmental consultations carried out etc., and to become familiar with and committed to the company's objectives. He needs in short to be allowed a period of adjustment and then to be brought as quickly as possible to the threshold of usefulness. The following are pointers to good current practice in dealing with induction training:

—many firms now restrict the period of " pure " induction to about two weeks. This usually consists of introductions and meetings with senior managers in different departments ;

—trainees may be asked to get certain information for themselves. In one firm, for example, they are expected to produce the following at the end of their first two weeks :

32

management organisation charts for the company; an outline survey of the firm's products; an outline of the functions of the members of the board and of the company secretary; a glossary of unfamiliar terms used in the business;

—other firms use an extensive questionnaire or "training folder". The trainee makes his own introductions and gradually works his way through questions and answers until the process is completed. He receives some guidance— perhaps from the Personnel Department—but learns to conduct interviews and elicit information in his own way. The process may not be completed for six months, but the trainee is placed in his first job after two weeks and thereafter pursues his enquiries in one short period each week. This method is not simple to maintain or particularly economical but it can give the trainee a thorough insight into the workings of the business.

Whatever system is adopted the trainee should not be a passive recipient of instruction but should be actively involved in finding out what he needs to know.

89. Where the trainee has not taken a sandwich or part-time course involving industrial experience, or a business course, there will probably be a gap between his educational experience and the world of business. Concurrently therefore with the initial training, and as an integral part of the development programme, a basic background course should be considered.

Early Responsibility

90. At the next stage the trainee needs to have practice as well as opportunities to learn, and he should be given a real job to do within at the most a few weeks of entering the firm. Trainees with technical or professional qualifications can be introduced immediately into the appropriate function; those whose future functional employment has not been decided may be given assignments which are themselves non-managerial in character, but which effectively bring the trainee into direct working relationships so that he can observe and learn with the minimum disturbance to others. This also gives him time to form some idea of which departments he would particularly like to join.

91. Assignment jobs in the fields listed below are all designed to broaden the trainee's knowledge of the environment and bring

33

him into working relationships with other functions. Although the appointment may be intended primarily for training purposes the trainee must carry his full weight of responsibility. Suitable areas for such jobs include:

organisation and methods;

work study;

operational research;

systems analysis and design; and

market or economic research.

Opportunities for assignments of this kind will obviously depend on the size and structure of the firm.

92. Another method is a rotation of jobs in different line departments; but it has sometimes tended to bring " management trainee " schemes into disfavour and it should be used with care. The trainee should fill a substantive (not a supernumerary) post as a member of the department and the period in each job should not be so short that he cannot work his way fully into the job and master it.

93. Trainees with technical or professional qualifications may start almost immediately in the appropriate functional department. From the outset, however, their supervisors should observe not only their technical ability but also the management skills they display, and should see that appropriate opportunities are provided for management training as distinct from further specialist training. The practice of management is not restricted to those who are specifically called managers, and the ability of a chemist or engineer to manage his department or section may be as important ultimately as his professional achievements.

94. Although the trainee is usually under the direction of a line manager some firms find it useful also to nominate a " tutor " for guidance and periodical consultation. The tutor watches and reports on his progress, sees him regularly and encourages him to discuss his ideas and problems freely. Tutors may be chosen from the Personnel Department, from middle-ranking managers in their thirties with appropriate knowledge and experience, and perhaps also from senior managers. As a general rule, however, it will help the tutor to establish a good *rapport* with the trainee if he is himself fairly young. Certainly those who are to act as tutors need to be most carefully selected. They not only need ability to

34

draw out the best in the new entrant, but they should themselves contribute positively to the relationship. It is a particular responsibility of the tutor to ensure that the trainee's programme is an appropriate and effective vehicle for applying the general concepts described in Section II to his circumstances. All this is unavoidably time-consuming but ability to act as a tutor is one of the qualities which should be taken into account during the annual staff appraisal.

95. The first managerial post should be one where the trainee is accountable for the results achieved and where there is some scope and opportunity for development of the work. The duration of " training " before this first placing may be based on a target period (e.g. two years) but there should be reasonable flexibility so that the timing of the move matches the trainee's progress as well as the availability of suitable vacancies. Essentially the aim should be to give the trainee a job with responsibility as soon as he is ready for it. Even where the period of training is linked to a specific programme, such as industrial or commercial training associated with a course at a Business School or one leading to a professional qualification, it should be possible to adjust the programme where necessary.

96. The first post should if possible involve a small command and provide experience of a range of functions, for example:

—manager of a small department or a small subsidiary company ;

—production shift manager (the night shift is particularly valuable experience because of the extra degree of independence usually associated with it) ;

—manager of an outstation department or works ; and

—overseas assignments.

There may often be serious difficulty in finding suitable posts of this kind within the organisation or in reserving them, for part of the time at least, for trainees or junior managers. This question is discussed in paragraph 112.

97. Such placings should be made at a sufficiently high level and should be followed up to assess results. In a small firm the owner or chief executive may do this personally ; in larger firms a special Placings Committee of executive directors to supervise the placing and progress of trainees may be useful.

35

98. The types of external course that are available and the basis of choice between them are discussed in Appendix 2. The new entrant will often derive particular benefit from such courses. Being still relatively young he will usually find it easier to assimilate what is being taught while, from the point of view of the firm, he can be released to attend a course more easily than the senior manager who is already fully occupied in a responsible job.

99. The new entrant should never be deterred from studying for some suitable technological or professional qualification which will not only enhance his value as a manager but will develop his intellectual powers and his judgement. General background courses, as suggested in paragraph 89, and sandwich or part-time courses in business studies or industrial engineering can, for the immediate post-" A " level student, provide a foundation for later work. At the post-graduate level a suitable Diploma in Management Studies course* can give a broad understanding of the managerial functions for the technically qualified specialist or a more specialist approach for the non-technical graduate.

Improvement of the Performance of the Existing Manager

General

100. In principle the training needs of each individual may be discerned by comparing the requirements of his job with an appraisal of his performance in the job, but in practice this is not a simple matter. Sometimes the emphasis will need to be on remedying deficiencies in the knowledge and skill of the manager or bringing him up to date with new developments ; in other cases training may be aimed at consolidating and developing his strong points. But it is often intrinsically difficult to make an accurate assessment of individual training needs and, even when the best assessment has been made, it is not always easy to translate it into actual programmes of training. There may be limitations arising for example from the inadequacy of the available training facilities, or it may be impracticable to release the manager from his work at a particular time ; it may also be necessary at times to plan training programmes ahead of a precise assessment of need.

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* See Appendix 3.

36

learn. All training should be relevant to the individual's needs and to the firm's requirements; it should only be given where its purpose—which will not always be immediate or short-term in character—is clearly understood both by him and by his superiors.

102. Training needs can often be met by arrangements on quite a modest scale and it is worth commenting on this. Firms may well find when they first make a systematic assessment of their training requirements that a number of comparatively minor deficiencies in knowledge and skills become apparent. The following are a few actual examples of activities in such cases:

—a short training visit to an associated department: for example, two days in the Cost Office or a few weeks in the Work Study department, or taking part with the Works Manager in negotiations with trade unions;

—a conference between the senior staff of departments on the operation of budgetary control;

—a short appreciation course in data processing as practised in a particular field;

—a seminar for managers of small firms, organised by a local trade association;

—an in-firm seminar organised for the benefit of technical managers and salesmen, when a new process has been introduced.

Another possibility is to organise from time to time a discussion group study of a unit or department, known as a "Command Group". The members comprise the key people of the unit or department and the main purpose is to clarify objectives and to examine performance. The firm's training staff may be needed to help to get this form of activity started.

103. In general the possibilities of short courses of instruction or short periods of in-plant training or assignments to learn a new skill or improve an individual's knowledge of the firm's environment should never be overlooked. They will often be cheaper and quicker than more elaborate training arrangements and at least as effective.

Broadening the Manager's Experience

104. Here the dividing line between training and working on the job becomes hard to distinguish. It may be impossible, as well as unprofitable, to say in any particular circumstances whether

37

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—a seminar for managers of small firms, organised by a local trade association;

—an in-firm seminar organised for the benefit of technical managers and salesmen, when a new process has been introduced.

Another possibility is to organise from time to time a discussion group study of a unit or department, known as a "Command Group". The members comprise the key people of the unit or department and the main purpose is to clarify objectives and to examine performance. The firm's training staff may be needed to help to get this form of activity started.

103. In general the possibilities of short courses of instruction or short periods of in-plant training or assignments to learn a new skill or improve an individual's knowledge of the firm's environment should never be overlooked. They will often be cheaper and quicker than more elaborate training arrangements and at least as effective.

Broadening the Manager's Experience

104. Here the dividing line between training and working on the job becomes hard to distinguish. It may be impossible, as well as unprofitable, to say in any particular circumstances whether

37

a man is primarily engaged in managing or in learning to manage. At the same time it must be acknowledged that there is a possible conflict of interest. The manager is likely to have certain needs for training and development, which the firm fully recognises and for which indeed it is concerned to provide; but firms can only permit day to day efficiency to suffer to a limited extent in the interests of the development of the individual manager. There is also the general problem mentioned earlier of providing suitable jobs and assignments for training purposes. The reconciliation of these conflicting demands offers a real challenge to the resourcefulness of the firm in exploiting the possibilities that are open.

105. Examples of working assignments to broaden the junior manager's experience might include:

—individual or group projects. These must always be carefully planned; it is important that they should not be artificial but should have a useful end product. They should not be simply exercises. They may be undertaken either as a break from or in addition to normal responsibilities;

—planned job movement or job rotation. This is the process of guiding a man's career so that he gains experience in several different types of post, with a view both to the identification of his particular strengths and to his accumulation of knowledge of the resources and techniques of more than one function. A great merit of this is that the younger manager is given maximum exposure to the decision-making processes within a range of functions rather than in one narrow field.

At more senior levels:

—arrangements under which a manager may be given additional responsibilities without the need for a move or reorganisation: in one firm a Chief Engineer (on the Board of his own company) was appointed chief executive of a small overseas subsidiary;

—in another company the acquisition of a run-down firm made it possible to appoint some young men with varied experience in cost accountancy, works and sales management to the Board of the new enterprise while they continued to hold their existing jobs.

106. In providing opportunities for managers to broaden their experience and increase their range the firm should take into

38

account both the aspirations of the individual himself and the forward requirements of the organisation as represented in its management succession plans.

External Courses

107. The selection of formal courses of instruction, in relation to the needs both of the firm and of the individual, is discussed more fully in Appendix 2, but certain general points may be emphasised here:

—external and in-firm training should be co-ordinated;

—a wide range of purposes may be served by the external course: for example filling a gap in the manager's knowledge; up-dating his knowledge to keep him abreast of recent developments (particularly important in a number of modern industrial sectors); or inculcating an entirely fresh attitude and a new confidence on the part of the manager in his ability to command situations rather than be controlled by them, and in his perceptiveness and awareness of modern thinking in business methods;

—industry should collaborate with the management training departments of educational institutions in developing project work, case studies, simulation exercises, etc. which are appropriate to the needs of the organisations concerned;

—current developments in educational and training technology, such as programmed learning, films with linked discussion guides, etc., can be profitably used for formal training within the firm;

—smaller and medium-sized firms are likely to find particular value in formal training courses for their managers.

Developing Those with More Than Ordinary Potential

108. This sub-section and the previous one are closely related and many of the measures suggested in the discussion of the improvement of performance are appropriate also to developing potential. The main distinctions lie, first, in the additional problems of building succession plans and managing the careers of those expected to reach the top and secondly—at the most senior levels— the fact that training and development are directed as much to the exploration of what the objectives of the company really are or ought to be as to the means of attaining them.

39

109. Some managers will show at a very early stage in their career that they have more than ordinary potential. Others take longer—sometimes a good deal longer—to mature and show their full powers, but it is clearly of the utmost importance that firms should identify those with exceptional ability, at whatever stage in their career this ability begins to emerge, and make plans for their future training and development. Some companies deliberately over-recruit, so that even with a relatively heavy turnover they can expect to find men of high quality when they need them. This may work in cases where a company is growing rapidly and the rewards offered are exceptionally attractive; but for most firms it will probably be better to aim for lower turnover of staff and a more deliberate fostering of talent.

110. The manager with exceptional potential needs to be given more than usual opportunities for widening his experience by means of planned job movements. He should be given experience in as wide a range of tasks as possible. Such men learn quickly and will tend to become bored and unsettled unless their careers are carefully managed and timed. Various methods are employed to this end :

—some larger firms put their most promising men in a specially designated category, under the eye of a special committee, which may have responsibility for deciding on placements and for making selections. The committee keep the members of this category under regular review and have the power to add men to it and to remove those whose promise is not maintained ;

—the most promising younger managers may be placed at the earliest possible stage either in senior executive posts in large companies or as executive directors of small companies ;

—an opportunity may be provided to take over and " turn round " a previously run-down concern.

111. In smaller firms there is likely to be less scope for such elaborate planning of movement, but it will not usually be so necessary: a manager in a small firm is seldom restricted to a narrow range of functions or cut off from the broader industrial environment and may not need deliberately to widen his experience.

112. Generally speaking, programmes of development will consist at least as much in providing opportunities and real tests of ability as in formal training. There are however a number of problems in

40

providing for planned career development, the major one being to find or create the right opportunities, whether for potential top managers who require a change of experience, or for young trainees requiring a first posting, or to accommodate highly-trained direct entrants such as business school graduates. Many firms have posts which are suitable for these purposes but may find it very difficult to reserve them for trainees or, at more senior levels, arrange for them to be vacant at the right time. There will be less difficulty when the firm is expanding, with opportunities arising at all levels; but sometimes firms may have to face the need for a certain amount of re-structuring, such as the breakdown of large departments into smaller units (e.g. on a product basis) or the conversion of departments into separate subsidiary companies. Some large firms now have "management services" departments dealing with diagnostic, intelligence or development techniques and these may be a source of suitable posts. The policy of keeping open certain posts for purposes of career development should not be lightly discarded in the interests of rationalisation. Some firms accept that it may be necessary, in order to provide the necessary breadth of experience, to place the manager with high potential in a post for which he would not be the first choice in terms of qualifications. On the other side of the coin, the need will arise from time to time to move on a manager who is highly successful in his present job and whose immediate superiors are most reluctant to release him.

113. Companies cannot always expect to be able to keep managers with high potential. Some of the best of them tend to be the most mobile and it will not always be practicable to offer the encouragement of a planned career pattern. All businesses are roughly pyramidal in structure and good managers will be lost from time to time through unavoidable promotion blockages. This points to the need for companies to draw up succession plans, both to take full advantage of the talent that is available and to minimise the disruption caused by the loss of a good manager for whom no replacement is in prospect.

Assessing the Effectiveness of Training

114. The effectiveness of training at managerial levels is difficult to assess and often impossible to measure. But unless the attempt is made useful lessons may go unlearnt, the planning of future programmes may suffer, and valuable resources in terms of managerial time and effort may be wasted.

115. In attempting an assessment of training effectiveness four questions need to be considered—

whether the training needs were correctly identified ;

whether the training programme met those needs ;

whether the results were commensurate with the cost ; and

whether the same results could have been achieved more economically.

Regular appraisal of individual performance will often go a long way towards answering the first two questions, particularly in cases where training in specific skills or techniques is involved. On the other hand it will not usually be possible to answer the remaining questions on the basis of objective criteria. The assessment here is unavoidably a matter of judgement. This is not to say, however, that an assessment should not always be attempted, as a check on expenditure, and as a means of keeping schemes under review for the benefit of those who will participate subsequently. The consensus of opinion of a number of people undergoing the same or similar experiences may provide useful evidence on which to base an assessment.

116. Effective programmes of management training and development represent an investment in manpower as distinct from the physical assets of a business. The cost of introducing and maintaining such programmes can be substantial and the return is at times difficult to evaluate. But it must not be overlooked that the same can be said of other forms of business investment in which shrewd business judgement is required, for instance research and development. The real worth of a business is determined, not solely by the value of its physical assets, but also by the quality of its management.

42

Training in the Use of Selection Tests

1. The two main suppliers of tests in this country are the National Institute of Industrial Psychology (NIIP) and the National Foundation for Educational Research (NFER). Both organisations, in common with most other publishers of tests, lay down stringent conditions governing their application. For example, tests distributed by NFER are categorised according to the minimum qualifications required by those who use them, as follows:

Level (a): Tests requiring only the minimum technical knowledge;

Level (b): Tests that can be used only by people qualified either by successful attendance at a recognised course of training, or in other recognised ways;

Level (c): Tests that are of a "clinical instrument" or non-cognitive type for use only by qualified psychologists.

Tests which are most suitable for use in industry are generally included in levels (a) and (b).

2. The NFER does not provide training courses in the use of tests, but may be prepared to advise on suitable courses elsewhere. Courses in Personnel Assessment and Selection are run by the NIIP, who also offer an advisory service on the installation of tests. The Institute of Personnel Management also run courses and will be able to advise generally on testing and other aspects of selection procedures. Advice is also available from the British Institute of Management.

APPENDIX 2
External Courses

1. In its first report, the Committee suggested that firms feeling the need for advice about the availability and purpose of external courses should be encouraged to consult their Boards or other sources of information such as the Management Education Information Unit (MEIU) of the British Institute of Management and other professional organisations which will give advice within their specialist fields.

Types of Course

2. The British Institute of Management publishes a Conspectus* of management courses which analyses them into the following classifications:

  —*General Management.* Management principles and practices. Courses are divided between post-graduate studies, junior management, middle management and senior management, and examples range from one- or two-year Masters' courses at Business Schools and Universities and the National Diploma in Management Studies to the shorter three-month to one-week post-experience courses for executive development and advanced general management studies.

  —*Functional Management.* Courses dealing with particular divisions of industrial business practice, i.e. finance, research and development, production, personnel administration, etc. These can vary from one-year degree or diploma courses to one-week appreciation studies in a particular aspect of the business function.

  —*Management Techniques.* Working methods classified into:

  —*General techniques* appropriate to all aspects of the business, e.g. operational research, work study, systems analysis, computer applications.

  —*Functional techniques* appropriate to specific aspects of industrial and business management, e.g. discounted cash flow in financial management, production control in production management, skills analysis in personnel management.

  —*Management skills.* Activities specifically related to the personal skills of the manager at work, e.g. communication, interviewing, counselling, problem analysis.

  —*Background courses.* Subjects related to the practice of management, e.g. aspects of mathematics and statistics, economics, sociology, psychology, political science.

Selection of Courses

3. The Committee also said in its first report that "it is in any event for the firm to decide which external courses should be used to satisfy its own needs". Once the firm has gathered the factual information on availability of courses—and the choice will often be extensive—it has to decide which course to use. Having identified as closely as possible the training needs of the firm and the individual the following factors must be considered.

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* Conspectus of Management Courses. BIM: Published biennially. Seventh edition published 1968, price 63s.

44

4. *Factors related to the firm:*

—*General policy.* There is much to be said for making the maximum use of local centres where close liaison can be established even to the extent of having courses tailored to the firm's requirements. Even where more distant centres are used, firms may find it an advantage to limit the number used on a regular basis, because they then have the opportunity of getting to know those centres well. Similarly their own needs are more comprehensively understood.

—*Timing and duration.* The time limit within which the course must be available; its duration and the length of time the firm is prepared to let the trainee to be away from work.

—*Cost.* The amount the firm is prepared to pay for this particular training.

—*Location.* Geographical limits if any on where the course may be held.

—*Impartiality.* Limits if any on the type of organisation providing the course, e.g. universities, colleges, professional associations, management consultants.

5. *Factors related to the course:*

—The aims of the course and its content should be clearly stated.

—The background, experience and qualifications of the students for whom the course is designed should be specified.

—Detailed programmes, with session synopses, should be available. An indication of teaching methods to be used and details of supervised practical exercises and projects should be provided.

—The means by which the effectiveness of the course are to be assessed should be stated.

—The teaching staff must be adequately qualified and have appropriate experience to carry out the stated aims and must be supported by suitable technical and clerical staff.

—The organisation offering the course should possess the necessary physical facilities and administrative capacity for the successful running of the course.

—The frequency with which a course is held may be an important factor where a number of people from a firm have the same training need and cannot all be released at the same time.

6. In the end the firm must decide for itself on the selection of external courses for its staff, but firms are strongly recommended to seek advice and guidance as suggested in paragraph 1 of this Appendix.

7. The corollary of the services provided by these institutions to firms is that *the firms themselves must in turn feed back information* about their own experience of particular courses. Courses may improve or decline in quality, and keeping them under review is a continuing process. Firms should continue to supply their evaluation of courses to the body or bodies to which they look for advice.

45

Co-operation and Liaison between Industry and Colleges

8. Some of the ways in which co-operation can be developed are:

—*Staffing*. The secondment of staff from colleges to industry and from industry to colleges should be encouraged. This might take the form of part-time secondment or periods spent with the educational or industrial institution. Participation on an *ad hoc* basis by the provision of lecturers or discussion leaders for seminars, conferences or courses can also be helpful. Industry has an important role in furthering the development of management training staff in colleges—indeed both sides have much to gain from interchanges.

—*Course support*. If companies give firm indications of student support for courses, this enables the college to make suitable staff appointments. Courses, consultancy and research can then be developed in close collaboration. An outstanding example of such collaboration is described in Appendix 3, paragraph 11 et seq.

—*Project work*. This involves close and fruitful liaison between the student, the college and the company.

—*Feed-back*. In paragraph 7 above the need for firms to supply their evaluation of courses to bodies such as the training boards and the professional institutions to which they look for advice is emphasised; but it is equally necessary that there should be feed-back to those who provide the courses.

Professional bodies having a direct interest in the training of managers, either generally or in relation to a particular function

9. All well-known professional organisations will be concerned with both the managerial and the professional qualifications of their members. Among such organisations reference can be made to the members of the Consultative Council of Professional Management Organisations (CCPMO) which includes:—

British Institute of Management

Chartered Institute of Secretaries

Institute of Cost and Works Accountants

Institute of Management Consultants

Institute of Marketing

Institute of Office Management

Institute of Personnel Management

Institution of Production Engineers

Institute of Purchasing and Supply

Institution of Works Managers.

46

The Diploma in Management Studies

1. The Diploma in Management Studies has a useful contribution to make to the training not only of new entrants but also of the more experienced managers between, say, 30 and 40 years of age. Of the 4,500 students currently studying for the Diploma the majority fall within this latter category.

2. *Aim of the present Diploma Scheme.* This is stated in the Diploma Memorandum issued by the Committee for the Diploma in Management Studies as:

> " to provide the student with a basic knowledge of the background to industry, to raise his general level of understanding of management processes, and to acquaint him with the tools and techniques of management. The course does not purport by itself to produce managers. It is a contribution to the wider development of a person as a manager designed to enable him to benefit more from his practical experience and realise his full potential."

3. *Structure.* As it now stands the Diploma course is divided into two stages, the first an introductory stage, the second forming the main body of the course. The two stages may be taken consecutively, so forming a continuous course ; or they may be taken separately, with an interval between each stage. The courses may be either full-time, sandwich, block-release or part-time. A full-time course for the Diploma provides for a minimum of six months of full-time study. The aggregate of the college periods of a sandwich course also amounts to at least six months. The total number of weeks' study in a block-release course should approximate to that in a full-time course. Part-time courses may be part-time day, or part-time evening, or a combination of both. Colleges are expected to make arrangements to include at least one period of residential full-time study in each year of a part-time course. Part-time courses provide for at least 540 hours of course work, exclusive of private study, and normally extend over three years in all.

4. *Flexibility of the Scheme.* Colleges are free to submit for consideration schemes which differ from the standard pattern ; for example, a course combining periods of block release with some part-time study. There is plenty of room for experiment with different course patterns, and colleges are encouraged to take full advantage of this flexibility to devise the form best suited to their local industrial requirements. Indeed the form of the Diploma itself may evolve to meet the changing needs of industry.

5. *Content.* The introductory stage I is designed to give a general understanding of business, its environment, its problems and purpose and the human aspects involved, and an introduction to two of its main tools, statistical method and accounting. For this the course normally covers general economics, industrial sociology and psychology, elements of statistical method and accounting (including an introduction to the quantitative aspects of decisions), all taught

47

from the point of view of their relevance to business structure and problems, and analytically rather than merely descriptively. A preliminary study of the main functional areas of management, e.g. production, marketing, personnel, also has an appropriate place at this stage; and colleges often add an appreciation of the contribution of modern technology, the way it develops and is developed, and its relation to fundamental science, with special emphasis on the importance of change.

6. In the second stage the main functional areas of management are studied not from a specialist viewpoint, but to show their relevance to the process as a whole. The basic decision-making tools such as statistical method, costing methods and operational research techniques are brought, as far as is practicable and relevant, into all parts of the course, and linked with the human aspects, problems of leadership and decision-implementing. Management principles and practices are also studied.

7. *Further development.* Although the general framework outlined in the preceding paragraphs is included in the Diploma Memorandum for the guidance of colleges the Committee does not regard it as necessarily exhausting all the areas of study which might with benefit be considered as part of a Diploma scheme. The Committee emphasises its readiness to approve schemes which include other subject matter needed to meet a college's local situation, provided the work is similar in scope, is of adequate depth, and is firmly based on the study of principles in the relevant disciplines such as economics, the behaviour sciences and appropriate mathematics. In addition to meeting local needs colleges are able to consider the needs of particular industries in consultation with the appropriate Training Boards. In all cases the college has to submit its own detailed syllabus for the Committee's approval.

8. *General.* The Committee attaches much importance to the adoption by colleges of an approach to the course which recognises the maturity of the students, their intellectual level and their practical experience. The teaching methods should be mainly participatory, and designed to make the course a corporate activity, with each student fully involved in it through opportunities to make a personal contribution. Such an approach has particular relevance to Stage II.

9. It can be seen that there can be widely varying objectives between the various schemes and this is already showing up in approaches by Training Boards: while one board is tending to look at the Diploma as a means of developing the experienced manager, others have in mind, at this moment, very much more the younger man on an immediate postgraduate development programme.

10. To illustrate this latter application and to highlight the flexibility of the scheme, this Appendix concludes with a section entitled "The St. Helens Experiment". It should be stressed that while this was one of the first such fully developed schemes it is now being followed by a number of others: there is a continuing dialogue between many large groups and various colleges and universities.

48

The St. Helens Experiment

11. This is a short account of a joint enterprise undertaken by one large company, Pilkington Brothers Limited, and one college, St. Helens College of Technology, to provide a course of management education designed to meet the requirements of the company and of other industrial organisations.

12. *The problem.* The company recognised as part of their programme for management development the need for a course of management education for their newly-entered graduates and others with a high level of academic training. The view was taken that the best time for such a course to begin was in the trainees' early years, when they were at their most receptive and could most readily be detached from their jobs ; further, it could develop as the managerial potential and experience of the person developed. None of the courses available at that time, however, appeared to be wholly suitable.

13. *The approach.* The company went to the college with outline proposals for a specially-designed course, the syllabus for which had been drafted by a group including the heads of the firm's functional departments. These proposals were further developed by a working party with representatives of the company, of other firms participating, and of the college, who were able to contribute more to the academic requirements of the course. The course was later accepted as leading to the Diploma in Management Studies.

14. The company undertook to provide 95 per cent of the students at the outset with the promise of continuing support over several years, provided that the arrangements complied with their basic requirements ; the college undertook to establish a postgraduate management studies department and to provide teaching and other facilities to a high standard.

15. *The system.* All new entrants with degrees, professional qualifications, HNC or HND are entered for the initial part of the course, whether or not they are destined for managerial positions, on the basis that a general appreciation of industry and the industrial society would be beneficial to all.

16. The course is based on the principle of block release and this has been firmly adhered to ; subsequent suggestions that part-time students should be admitted have been resisted.

17. The complete course consists of 24 weeks' full-time study, normally divided into three sessions with extra residential week-end sessions. All trainees having attended the first session, the majority are found suitable to go on to the second. The timing of this and the following stage depend on the trainee's progress in his job and his ability to accept further responsibility. The whole course may be spread over several years, though it can be completed in fifteen months.

18. The college does not observe the normal academic sessions and is therefore able to provide for intakes at several different times in the year ; as a result of this the entry of trainees may be timed to

49

suit their own rate of progress and the convenience of their departments. The trainees' progress and career development are supervised by a committee of managers in the firm. These work closely in harmony with the teaching staff through the company's education officer and the head of the department of management studies and, at a lower level, through the industrial and college tutors.

19. The college has a teaching staff for management studies consisting at present of 25 full-time members of Principal or Senior Principal Lecturer status, almost all with an industrial background. There is a high ratio of staff to students and normally there are not more than twelve students in any one group. The groups themselves are frequently broken down into tutorial sets of three or four.

20. The course has gained increasing support, and there are now some fifty firms, including a number of small firms, which send trainees.

21. *Conclusions.* The main points of general interest in the project are:

—from the outset it was a joint undertaking by the company and the college, each engaging to make a specific contribution;

—all were united in their determination to construct the course to a specification based on the assessed needs of the organisations participating;

—the headquarters of the principal company and the colleges were in the same area. It was thus in origin a local collaboration and close consultation and co-operation is a continuing factor; and

—the initiative came from an organisation with sufficient resources of its own to provide support for the course at the most critical stage, during the first one or two years. In this instance the original sponsor was a single large firm but the same kind of approach could be followed by a group of firms.

50